

Illinois law requires a Certificate of Resale to contain the information set out in 86 Ill. Adm. Code 130.1405(b). (This is a GIL).

August 16, 2002

Dear Xxxxx:

This letter is in response to your letter dated June 12, 2002. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be found on the Department's website at www.revenue.state.il.us/Laws/regs/part1200/.

In your letter, you have stated and made inquiry as follows:

AAA is a wholesale distributor of food and food related products. We sell to restaurants, schools and nursing homes. To remain in compliance with state laws we are obtaining resale certificates from all of our customers. We do business in many different states and to streamline the process we would like to issue all of our customers the same certificate regardless of what state they are in. Would you please review the enclosed certificate and determine if this would be accepted as a valid resale exemption certificate.

Your written response confirming or denying this certificate would be appreciated. If the certificate is not acceptable please indicate what changes need to be made. Please send this documentation to NAME.

If you have any questions please contact us.

Thank you for your cooperation.

Department's Response

Illinois law requires a Certificate of Resale to contain the information set out in 86 Ill. Adm. Code 130.1405(b), enclosed. A Certificate of Resale is a statement signed by the purchaser that the property purchased by him is purchased for purposes of resale. Provided that this statement is correct, the Department will accept Certificates of Resale as prima facie proof that sales covered thereby were made for resale. In addition to the statement, a Certificate of Resale must contain:

- 1) The seller's name and address;
- 2) the purchaser's name and address;
- 3) a description of the items being purchased for resale;

- 4) purchaser's signature, or the signature of an authorized employee or agent of the purchaser, and date of signing;
- 5) Registration Number, Resale Number, or Certification of Resale to Out-of-State Purchaser

A Certificate of Resale that does not contain the purchaser's Illinois registration or resale number valid on the date the certificate was issued creates a rebuttable presumption that the sale was not for resale. It appears that the certificate attached to your letter does comply with Illinois law. Illinois allows the use of blanket sales and use tax exemption certificates. Taxpayers should update blanket certificates every three years. See 86 Ill. Adm. Code 130.1405.

Recent legislation has provided that certain businesses may participate in a direct payment program when the Department approves such businesses for participation. To make purchases under the program, such businesses must present to their seller a signed Form ST-46, Direct Pay Permit that has been issued by the Department. For further information see the enclosed copy of Informational Bulletin FY 2002-33.

I hope this information is helpful. The Department of Revenue maintains a website, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Melanie A. Jarvis
Associate Counsel

MAJ:msk
Enc.